

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, THE
EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO, AND THE PUERTO RICO PUBLIC
BUILDINGS AUTHORITY,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**DECLARATION OF EVA L. AYALA REYES IN SUPPORT OF
TEACHERS' ASSOCIATIONS' OMNIBUS REPLY TO
OBJECTIONS TO MOTION FOR STAY PENDING APPEAL [DOCKET NO. 19969]**

I, Eva L. Ayala Reyes, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283- LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

1. My name is Eva L. Ayala Reyes, resident of Comerío, 61, married and teacher.
2. I have a bachelor's degree in Education from the University of Puerto Rico and a master's degree in Functional Diversity from the Interamerican University of Puerto Rico.
3. I worked for 30 years in the Department of Education of Puerto Rico. Of those, I worked 14 years as a teacher in the Special Education Program. For the remaining 16 years, I taught at the primary level. Also, I taught the college level course "Educational Tools for the Teacher of Special Education" at the University of Turabo.
4. Throughout my career, I was a member of the top leadership of several unions, including la *Federación de Maestros de Puerto Rico, Inc.* ("FMPR"). Additionally, I founded the union *Educadores por la Democracia, Unidad, Cambio, Militancia y Organización Sindical* ("EDUCAMOS") and presided over it for seven years. Currently, I am a spokesperson for the Retirees Chapter of EDUCAMOS and a representative for teacher services.
5. I have been invited to speak at several universities in Puerto Rico about my accumulated experiences as an educator and union leader. I have presented countless papers on education in the legislature and in other settings such as unions, universities, schools, and communities. I have also acted as advisors for unions, political groups, and communities. Specifically, in 2014, I was part of the Dialogue Committee on the Teachers' Retirement System ("TRS"). In addition, we provide guidance to a large number of teachers about the TRS.
6. During the last few weeks, I have witnessed the struggle faced by different sectors of Puerto Rico, brought to the forefront of the discussion by the effects of the Plan of Adjustment of Debts ("PAD"). The most affected sectors certainly include teachers and retired teachers.
7. In recent weeks, teachers in all corners of Puerto Rico have called for humane retirement fair salary, and better work conditions, which includes a claim for better health and safety in the workplace. They have also included the fight against school closings and privatization, as well as other situations that affect our students. This call urges the better use of the budget of the Department of Education and the urgent claim for their rights to be met in Title III Court. Also, they are fighting for their right to stay the PAD and have a fair appellate process before the Court of Appeals in Boston.
8. In order for the Federal Court to have all of the information necessary to protect the appellate rights of teaching organizations, I have given this sworn statement as to how the debt adjustment plan affects teachers and the importance of protecting them in the Title III judicial proceedings and before the Court of Appeals in Boston.

9. The PAD is without a doubt a very serious blow against not only education but teachers, since it dramatically alters our vested rights, work conditions, and learning conditions for students who in turn come from the lower-income sectors of our society.
10. The TRS is a collective and social security system that provides an income that we need in order to meet the basic needs of retirees and their families. Currently, teachers who started to pay contributions for retirement on or before July 2014 could receive this benefit for life with 75% of their salary upon turning 50 to 55 years old with 30 years of service. This achievement was possible thanks to the struggles and mobilizations that took place during 2013 and 2014. As part of these struggles, we litigated a case in the Puerto Rico Supreme Court, which declared unconstitutional the impairment of our pension rights under Act 91-2004 through Act No. 160-2013.
11. In 2017, with Act No. 106-2017, the Government included those teachers who entered the system after 2014 in 401k retirement system based on life expectancy, rather than lifelong. With the PAD, the Oversight Board seeks to freeze pensions, including from people who were protected under Act 91-2004 by the Puerto Rico Supreme Court's 2014 decision. Pensions will be frozen from March 15, 2022, eliminating lifetime pensions, freezing teachers' contributions and what they have accrued in retirement. Therefore, until they are 63 or older, they cannot access their retirement. Teachers will have to work for longer for less pension.
12. While some could gain access to social security, it would be mostly only for teachers who are 45 years old or younger. For others who are older, eligibility for social security would only accrue if they worked well over their retirement age of 63, working at least until their 70s to gain a social security pension for their remaining years.
13. These changes imposed clearly disrupt the life of pensioners since, in practice, they eliminate the plausibility of preserving or having a car, owning a home, accessing education for their children, etc. They would have a much lower income than they were entitled to, which would prevent meeting the basic needs of each family. It must be pointed out that life expectancy would be 10 to 15 years after retirement, which implies that upon reaching a certain age they would be completely bereft or at most they would have a pension of \$200 to \$300 which obviously is not enough for anyone to survive, much less at an age where health problems and ailments increase.
14. While the PAD is a great stressor for teachers, we cannot see it out of context with the grim reality teachers live with even before retirement. If we take the topic of wages, we know that teachers have a starting salary of \$1,750 per month. They are also required to have a high level of education

and work overtime, almost 24/7. It is a sector that, in order to meet the requirements of the Department of Education, enrolled in graduate studies for a so-called Teaching Career (*Carrera Magisterial*), which was later eliminated in 2017, leaving thousands of teachers in debt from the loans they took out to cover those required studies and without receiving the pay raises they were promised. For these and other reasons, teachers argue that it is urgent that we be guaranteed a fair salary, a struggle they have taken to the streets and political spheres.

15. We know that the budget of the Department of Education is around 3.5 billion dollars. It continues to be the same even though in recent years teaching staff has been reduced to almost half (from 42,000 a 24,000), there's only about 1/3 of the students and almost half of the schools have closed. However, teachers' salaries stay the same while the cost of living has risen. That is to say, the money assigned to the Department of Education does not reach classrooms and as if that were not enough, teachers have to pay from their own pocket for classroom repairs, teaching materials such as ink, pen, computers and even toilet paper.
16. This leads us to the sad reality that many colleagues have to look for a second and even third job, a subject that the press has been covering as of late because a teacher in Cataño died in a car accident after he fell asleep while driving to school from his second job, due to his level of exhaustion. A similar case occurred in a school in Lajas, where a teacher died in a classroom when she had a heart attack due to the work conditions and effort required by her teaching work. Another dramatic example is the teacher who died in her home on her computer and on her screen was the work that the Department of Education required of her. Let us also remember the case of the teacher in Mayagüez who could not sleep because she had to prepare her materials for the next day, which lead to her being in a car accident. Another extremely sad case is the teacher in Hormigueros who had cancer and needed reasonable accommodation, but the Department of Education did not hear her claims, which forced her to go to court, where she prevailed, but unfortunately died a few months later. These are only a few examples of the conditions that teachers live with while they are active employees, only to be condemned to being destitute once they retire.
17. The situation that teachers have been undergoing for decades—working overtime every day, being forced to get one or two additional jobs, having to pay for what the Department of Education does not provide for their work, from repairs in the classroom to teaching materials and more, having to go study while they work, taking out loans in order to pay for those studies—has led to teachers having their private lives destroyed. This is a result of the commercial view that sees

teachers as an expense instead of seeing them as a valuable investment. Their personal lives are affected, their family atmosphere, lower quality of life, their emotional life is assaulted with the accumulation of tasks, requirements, responsibilities, and a society that always targets them. Those who are in power confuse vocation with slavery. We don't study for slavery, we do it to educate.

18. In order for our work to be effective, we need conditions where our work is happy precisely because the purpose and the subjects of our education are the children and youth of our country. We don't work with parts, we don't work with screws and bolts, but with human beings who are the most valuable treasure of any society. That is why we need optimum conditions. That is why we need optimum conditions, to be supported and understood with conditions for an honorable life in order to be able to provide the best teaching to our students.
19. We have families, we have children, economic commitments, needs that are not being met with a measly income. And on top of that we are forced to work knowing that when we retire, at that age where we lose our strength and our suffering and needs increase, we will be deprived of a humane retirement, as a way to push us towards pain and death.
20. These very conditions show us why teachers, throughout the island, have gone out in the streets. We have no other choice but to paralyze the country to show what the condition we have been subjected to means. This strength means very little if the Government loses the ability to help us.
21. There are hundreds, maybe thousands of teachers close to retirement who, with the Oversight Board's retirement measures are left in limbo. Teachers who have given 23 years of service who planned to get to 30 years; others with 27, 28 and 29 years of service who would reach 30 in the summer would have been able to buy time will be affected forever with the PAD. Before the PAD, employees could buy time using their vacation days since they accrue four days per work month. They could buy a year and ten months with their earned vacation. People who are in that condition and planned to buy time to complete their 25 years and have a lifelong pension of 1.8 without losing the .05, and those who had close to 30 years could complete them to obtain a life pension of 75%. With the imposition of the PAD, they saw their possibilities changed overnight. Also, because of the March 15 deadline, there are hundreds of teachers having to take steps in a hurry to avoid losing that right to retire with the current pension. Those are the teachers with the most experience. If they leave, the experience in the Department of Education leaves with them.
22. All of this has a detrimental impact on the living conditions and the educational services at our schools. The Oversight Board doesn't take into account that if they improve conditions for

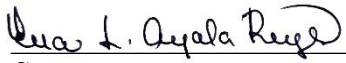
teachers, the conditions of our students also improve. The same goes for when we speak about other work conditions, since an educational system with the proper tools develops human beings that insure the future of Puerto Rico.

23. In the public school system, 40% of our students have functional diversity. They need specialized personnel, assistants, material and assisting equipment, therapy, and individualized attention. If this is not guaranteed, they are being deprived of their right to education. The majority of schools that close are from rural and needy sectors. If education is moved away from where people are, if the social environment continues to be broken, the effect on our island is highly destructive. There is an increase among our students of social problems, behavioral problems, socio-economic problems, there is less direct attention for students, which has a negative impact on learning. It has been abundantly demonstrated that socio-economic factors have a negative impact on learning. If teachers are not provided adequate compensation, benefits and working conditions, the Department of Education will lose them and these needs will not be met.
24. What the Oversight Board is doing is pushing teachers to mass resignation. If retirement and the contributions from active teachers are frozen and teachers are forced to withdraw their contributions, it could cause the total collapse of the pension system of people who have already retired. The people will be left without teachers and without people who want to be teachers. To summarize, the effects of the current working conditions of teachers on the education of the island's children include the following: a wave of resignations, permanence of schools is affected, an increase in positions that are difficult to recruit, and the Special Education Program deteriorates even more.
25. A disastrous implication is the deterioration of the physical and emotional health of teachers. Teachers who do not know whether what is waiting for them when they retire is misery, extreme need, dreadful suffering, or possibly sudden death will never be able to work the way the educational system needs. Every day teachers are poorer; they are forced to get a second and third job. Teachers are exhausted and depleted. The physical and emotional pressure affects the ability to handle the classroom, with less time for each student, and also increases emotional problems, discipline, socio economic problems, which clearly implies greater academic lag.
26. That is to say, the conditions that active or retired teachers are being pushed to will result in a deterioration at all levels of society. We will have poorer teachers teaching students that are also getting poorer. With these conditions it is unlikely that anyone will want to study pedagogy, which will affect university areas specialized in this field. We would have schools that are increasingly

unsafe and with less people to attend. The effect on our most vulnerable population would be highly destructive and many would be exposed to options that are a lot more socially burdensome such as emigration, private education and dropping out. This would be in addition to the social struggles that increasingly broader sectors of would assume in defense of the right to live.

27. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

Dated: February 15, 2022



Signature

Eva L. Ayala Reyes

Declarant's Name